1. Purpose

This policy implements and is subject to SDBOR Policy 5:23 and sets forth the guidelines for the issuance of stipends and use of business cell phones at the University.

2. Policy

   a. State-owned cell phones for shared departmental or unit use assigned to employees for daily check-out, or cell phone stipends, may only be provided by the University for acceptable business criteria substantially relating to the employee’s work duties and University business need.

      i. Acceptable Business Criteria: Substantial, non-compensatory business reasons may be related to an employee’s duties that require them to work away from their primary location on a regular or frequent basis, a requirement to regularly be available to speak with clients outside of the employee’s normal work day, or a requirement to serve as first responder for work-related emergencies.

      ii. Not Acceptable Criteria: A cell phone provided to promote the morale or good will of an employee, to attract a prospective employee, or as a means of furnishing additional compensation to an employee.

   b. The employee’s supervisor, Dean, or Department Head, and the V.P. overseeing the unit, or President where applicable, will determine, on a case-by-case basis, whether to provide a University-owned cell phone for shared use, an appropriate stipend for business related calls or data needs, or to rely on alternative means of communication. The least expensive means of communication for the business needs must be selected.

      i. The least expensive means calculation for purchasing cell phones for shared use shall be based on the cost of the cell phone and any other required equipment associated with it, and projected monthly cost for service (e.g., service fee, prorata costs for device upgrade, etc.) for the year.

      ii. Business need shall be shown in three parts: (1) a description of the position’s or department’s need for a cell phone; (2) the amount of cell phone use to fulfill position duties or department needs; and (3) specifications that the cell phone must meet in order to fully satisfy the position or departmental need.
iii. Stipends must be justified by indicating that the stipend amount does not exceed the portion of business-related duties and expenses the employee actually incurred in maintaining the cell phone.

iv. Alternatives to University cell phones and cell phone stipends include, but are not limited to, the following:
   1. Use of landlines instead of cell phones; and
   2. Use of University-owned mobile radios.

c. An appropriate cell phone stipend correlated with the amount of actual business use may be approved, taking into consideration the cost of the service required for business and reasonably estimated percent business use versus personal use. Individuals requesting a stipend in excess of $40 must have approval of the V.P. overseeing the unit and the V.P. for Finance and Administration. The Office of Finance and Administration will maintain a list of employees, and their reporting unit, approved for cell phone stipends.

d. State-owned cell phones may only be checked out on a daily basis for business purposes and may not be checked out for personal use purposes. The Property Management Office, or successor unit, is responsible for maintaining records, including a list of employees who may check out a University cell phone, including their titles, and the cost and fund source of the cell phone.

e. Cell phone stipends cannot be a substitute for a portion of the employee’s regular wages.

f. Failure to closely adhere to this policy may result in the cost of the cell phone or the amount of the stipend becoming a taxable benefit to the employee, or discontinuation of the stipend or University provided cell service.

3. Procedures

   a. Requests for stipends or cell phones must be made by the employee, with the input and approval of the employee’s supervisor, using the Request for Cell Phone Stipend or State-Owned Cell Phone form.
      i. The form must include the employee’s position of employment and business justification for the stipend or cell phone.
      ii. The form must also be approved and signed by the dean, director, or department head, the V.P. overseeing the unit, and submitted to the V.P. for Finance and Administration, or designee, for final approval.
      iii. The business justification must contain a description of how the proposed means of communication or stipend is the least expensive means for the business need as detailed in subpart 2.b. above.

   b. Any change in the business needs or employee duties, the amount of a stipend requested, or change in cell phone service must be made using the Request for Cell Phone Stipend or State-Owned Cell Phone form. Requests must be re-submitted annually, or the cell phone or stipend will be revoked.
c. Replacement of any University-owned phones or accessories must be re-approved through the procedures contained in this policy.

4. Responsible Administrator

The Vice President for Finance and Administration, or designee, is responsible for the annual and ad hoc review of this policy. The University President is responsible for approval of this policy.

SOURCE: Approved by President on 10/21/2014; Revised, Approved by President on 03/12/2019.